
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
THURSDAY – AUGUST 28, 2014

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held August 28, 2014, at 9:00 A.M. at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Trustees Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

ABSENT: 0.

PRESIDING: President and Trustee Kenneth Hauser.

Trustee Hauser called the meeting to order.

The first order of business was review and approval of the Minutes of the last Retirement Board meeting held July 24, 2014.

It was moved by Trustee Neely, seconded by Trustee Avila that the Board approve the minutes from the regular meeting held July 24, 2014, as presented.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

The President diverted off the agenda to address three items.

First, a presentation from the Fund's CIO, Sam Kunz, who provided a cash flow update, with a recommendation to draw a maximum of \$50 million from the NTGI 1000 Fund to address the September cash flow.

It was moved by Trustee Scott, seconded by Trustee Neely, that the Board follow this recommendation.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

Quality performance update was completed.

A request from Adams Street to extend the investment period for the Co-Investment Fund2 and amend the documents for that fund was discussed.

It was moved by Trustee Avila, seconded by Trustee Maloney, that the Board approve the extension as discussed.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

An update of Harborvest was provided.

Trustees Scott and Neely previously commented on a possible report from Bill Atwood on NWDBE brokerage. Per discussion, Mr. Atwood completed a study, but never issued a written report. The findings of the study were similar to previous presentation to the Board.

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CIO, Sam Kunz, requested to review additional items concerning contracts, managers and manager reviews.

It was moved by Trustee Neely, seconded by Trustee Maloney that the Board go into executive session pursuant to 2 (c)(7) sale of securities.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Avila, seconded by Trustee Maloney that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

Second item not on the general Agenda was a presentation from Tim Bowen of Mesirow Insurance Services to discuss the Fund's fiduciary liability insurance policy.

After lengthy review and discussion *it was moved by Trustee Scott, seconded by Trustee Avila, that the Board approve the recommendation to renew the fiduciary liability insurance through Ullico and Euclid.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

The third and final item not on the general agenda was a presentation from Avi Josefson of Bernstein, Litowitz, Berger and Grossman, a securities litigation and portfolio monitoring counsel, to discuss potential litigation relating to the Fund's holdings.

It was moved by Trustee Neely, seconded by Trustee Maloney that the Board go into executive session pursuant to 2 (c)(11) to discuss litigation.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Avila, seconded by Trustee Lappe that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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It was moved by Trustee Maloney, seconded by Trustee Lappe that the Board file as lead plaintiff in the NeuStar Securities litigation matter.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

The Board Recording Secretary conducted the agenda as follows:

PAGE NO. REFERENCE

1 - 6 Incurred Expenses for the Month of August 2014.

It was moved by Trustee Scott, seconded by Trustee Wright that the Board approve the Obligations as detailed on pages 1 through 6.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

7 - 10 Refunds of Contributions; Withdrawal of Service, Exempt Rank, Widow's Annuity Accumulations and Revised Widow's Annuity Accumulations.

It was moved by Trustee Lappe, seconded by Trustee Avila that the Board approve the Refunds as detailed on pages 7 through 10.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

11 - 12 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Neely, seconded by Trustee Scott that the Board approve the Payment to Heirs of Deceased Annuitants as detailed on pages 11 and 12.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

13 Refund of Unused Annuity Accumulations- Revised

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Revised Refund of Unused Annuity Accumulations as detailed on page 13.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

14 Refund of Automatic Increase Contributions (less than 20 years of service)

It was moved by Trustee Neely, seconded by Trustee Hamburger that the Board approve the Refund of Automatic Increase Contributions as detailed on page 14.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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PAGE NO. REFERENCE

15 - 17 Annuities [Summary pg. 18]

It was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve the Annuities as detailed on pages 15 through 17.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

19 - 20 Annuities - Revised

It was moved by Trustee Hauser, seconded by Trustee Neely that the Board approve the Annuities-Revised as detailed on pages 19 and 20.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

21 Annuities to Widows [Summary pg. 22]

It was moved by Trustee Hauser, seconded by Trustee Scott that the Board approve the Annuities to Widows as detailed on page 21.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

23 Annuities to Widows - Revised

It was moved by Trustee Neely, seconded by Trustee Scott that the Board approve the Revised Annuities to Widows as detailed on page 23.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

24 Ordinary Disability Benefit Claims

a) **Vasquez, Raphael L.**

Based on the medical reports, it was moved by Trustee Lappe, seconded by Trustee Hauser that the Board, in accordance with the medical reports, award Raphael Vasquez the ordinary disability benefit for which he has applied.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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Not on Today's Agenda, brought up off the floor.

Gubala, Michelle L.

Based on surgical status, it was moved by Trustee Wright, seconded by Trustee Maloney that the Board move to grant the officer ordinary disability benefits.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

25 -26 Occupational/Duty Disability Benefit Claims

b) Antonacci, Kathleen D.

Based on the medical reports, it was moved by Trustee Hauser, seconded by Trustee Scott that the Board move to grant the officer, subject to a full evidentiary hearing, ordinary disability benefits without prejudice with the understanding that the Board reserves the right prior to such hearing to revisit and terminate that benefit if deemed warranted.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

c) Hernandez, Anthony

Based on the medical reports, it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board defer the officer's claim, subject to a full evidentiary hearing.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

d) Keenan, David B.

Based on the medical reports, it was moved by Trustee Lappe, seconded by Trustee Scott that the Board defer the officer's claim, subject to a full evidentiary hearing.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott 6.

Absent: 0.

Against: Maloney, Wright 2.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board approve the additional testing; neuropsychiatric IME and ENG/NCV as recommended.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

e) Miucin, Zoran

Based on the medical reports, it was moved by Trustee Neely, seconded by Trustee Hamburger that the Board defer the officer's claim, subject to a full evidentiary hearing.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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f) Myers, Patrick R.

Based on the medical reports, it was moved by Trustee Neely, seconded by Trustee Lappe that the Board move to grant the officer, subject to a full evidentiary hearing, ordinary disability benefits without prejudice with the understanding that the Board reserves the right prior to such hearing to revisit and terminate that benefit if deemed warranted.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

g) Roberison, Gwenda

Based on the medical reports, it was moved by Trustee Wright, seconded by Trustee Lappe that the Board defer the officer's claim to a full evidentiary hearing AND a repeat MRI be completed.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Neely, seconded by Trustee Scott that the Board go into executive session pursuant to 2 (c)(11) to discuss possible litigation.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Neely, seconded by Trustee Scott that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

27 Duty Disability Benefits – Revised

It was moved by Trustee Neely, seconded by Trustee Wright that the Board approve the revised disabilities as listed on page 27.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

28 - 30 Payments of Death Benefits [Summary pg. 31]

It was moved by Trustee Hauser, seconded by Trustee Neely that the Board approve the Death Benefits as detailed on pages 28 through 30.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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MISCELLANEOUS

32 GUARDIANSHIP APPOINTMENT

Kinnavy, John

It was moved by Trustee Wright, seconded by Trustee Hauser that the Board acknowledge the guardianship appointment as detailed on page 32.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

33 PETITION FOR PENSION CREDIT WHILE ON LEAVE OF ABSENCE

Bora, Daniel A.

Documentation verified, it was moved by Trustee Neely, seconded by Trustee Wright that the Board approve the leave of absence service petition as detailed on page 33.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

34 PETITIONS FOR PENSION CREDIT FOR PRIOR COOK COUNTY
SERVICE UNDER 5-214 (C)

Documentation verified, it was moved by Trustee Lappe, seconded by Trustee Hauser that the Board approve the prior Cook County service petitions as detailed on page 34.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

35 PETITIONS FOR PENSION CREDIT FOR PRIOR MILITARY
SERVICE UNDER 5-214.3

Documentation verified, it was moved by Trustee Neely, seconded by Trustee Hamburger that the Board approve the prior military service petitions as detailed on page 35.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

General Agenda completed, the Board President Hauser called the hearings on the scheduled cases.

HEARINGS

PAGE NO. REFERENCE

36 PETITION FOR PENSION CREDIT FOR PRIOR SERVICE

Isaac, Judy E.

Judy Isaac appeared before the Board on her petition to purchase prior service towards her pension credit. *After hearing testimony, it was moved by Trustee Hauser, seconded by Trustee Neely that the Board go into executive session.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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It was moved by Trustee Hamburger, seconded by Trustee Maloney that the Board exit executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Neely, seconded by Trustee Maloney that the Board grant Judy Isaac pension credit for the prior service as detailed on page 36.

ROLL CALL

For: Maloney, Neely, Wright 3.

Absent: 0.

Against: Avila, Hamburger, Hauser, Lappe, Scott 5.

MOTION FAILS

DISABILITY HEARINGS

DUTY DISABILITY STATUS REVIEWS

37 Day, Justine

Justine Day appeared before the Board, with counsel, on her duty disability benefit status review. After hearing testimony and reviewing the documents submitted, *it was moved by Trustee Lappe, seconded by Trustee Neely, that the Board go into executive session per 2 (c)(11).*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

This matter is continued, one final time, for the purpose of bringing in someone from CPD personnel to review with the Board members the City's policy with regard to an officer retuning to service within the Chicago Police Department.

38 Kouzoukas, Maria

Maria Kouzoukas appeared, with counsel and one of her treating physicians, Dr. Wesley Yapor, before the Board on her duty disability benefit status review. After hearing testimony from disability recipient, her physician, Board's physician and reviewing the documents submitted, *it was moved by Trustee Hamburger, seconded by Trustee Avila, that this matter be continued to obtain a record of historic prescription levels from Dr. Konowitz and to review documentation recently submitted.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

39 Mercado, Alan

*It was moved by Trustee Maloney, seconded by Trustee Wright, that the Board grant the request for a continuance to on the occupational disability status review of **Alan R. Mercado**.*

ROLL CALL

For: Hauser, Lappe, Maloney, Wright 4.

Abstain: Scott 1.

Against: Avila, Hamburger, Neely 3.

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DISABILITY HEARINGS

DUTY DISABILITY STATUS REVIEWS

40

Smith, Willie

*It was moved by Trustee Wright, seconded by Trustee Maloney, that the Board grant the request for a continuance to submit current medical on the duty disability status review of **Willie Smith**.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

41

DUTY DISABILITY CLAIMS

Guarnieri, Paul

*It was moved by Trustee Maloney, seconded by Trustee Wright, that the Board grant the request for a continuance to hear the duty disability claim of **Paul Guarnieri**.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

Leverett, Sandra G.

Sandra G. Leverett appeared before the Board, with counsel, on her claim for a duty disability benefit. After hearing testimony from claimant, Board's physician and Captain Noel Sanchez; Commander of the Medical Services section of the CPD and reviewing the documents submitted, *it was moved by Trustee Scott, seconded by Trustee Wright that the Board go into executive session per 2 (c)(11).*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Lappe, seconded by Trustee Neely that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Maloney, that the Board grant a duty disability benefit to Sandra Leverett.

ROLL CALL

For: Avila, Hauser, Lappe, Maloney, Wright 5.

Absent: 0.

Against: Hamburger, Neely, Scott 3.

It was moved by Trustee Wright, seconded by Trustee Maloney that the Board grant the duty award at 75% of salary as defined in the Statute.

ROLL CALL

For: Avila, Hauser, Lappe, Maloney, Wright 5.

Absent: 0.

Against: Hamburger, Neely, Scott 3.

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DISABILITY HEARINGS

DUTY DISABILITY CLAIMS

Munno, Maryann

Maryann Munno appeared before the Board, with counsel, on her claim for a duty disability benefit. After hearing testimony and reviewing the documents submitted *it was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board go into executive session per 2 (c)(11).*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Neely, seconded by Trustee Lappe that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Maloney, that the Board grant a duty disability benefit to Maryann Munno.

ROLL CALL

For: Maloney, Wright 2.

Absent: 0.

Against: Avila, Hamburger, Hauser, Lappe, Neely, Scott 6.

MOTION FAILS

It was moved by Trustee Wright, seconded by Trustee Neely that the Board award an ordinary disability benefit to Maryann Munno.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

Based on annual exams of disability recipients, the Board's physician has recommended additional testing to be completed as follows:

<u>Member</u>	<u>Recommended Test</u>
Lolita Brown-Johnson	FCE
Sonia Cegielski	Orthopedic IME
Declan English	FCE
Lynda Reed	IME
Michael Terrano	FCE
Ryan O'Donnell	IME

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It was moved by Trustee Neely, seconded by Trustee Maloney that the Board approve the recommendations of the Board's physician to have the FCEs and IMEs for the aforementioned individuals.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- Discussion was had concerning the upcoming election for the Trustee positions of (1) Sergeant and (2) Lieutenant, and rank Superior thereto. The Board must meet, with a quorum, for a passing on the sufficiency of the petitions filed. The date set is Thursday, October 2, 2014. Five trustees committed to be present for that meeting at 9:00 a.m.
- The Fund's current occupancy lease was discussed. As the Fund's lease on current occupancy ends in June 2016, *it was moved by Trustee Neely, seconded by Trustee Scott that the RFP draft for real estate brokerage services, as drafted by the Executive Director, as amended, be posted on Fund's website.*

ROLL CALL

For: Avila, Hamburger, Lappe, Maloney, Neely, Scott, Wright 7.

Absent: 0.

Against: Hauser 1.

- IRS Determination letter was reviewed and discussed. No action is to be taken.
- The IPPFA Midwest Conference has some interest by Trustees to attend.

It was moved by Trustee Neely, seconded by Trustee Wright that the Board grant all trustees who are interested in attending the IPPFA conference.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

- The Executive Director requested permission to attend the IGFOA conference this year.

It was moved by Trustee Wright, seconded by Trustee Maloney that the Board approve the Executive Director attending the IGFOA conference.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

It was moved by Trustee Neely, seconded by Trustee Avila that the Board go into executive session pursuant to 2 (c)(11) to discuss personnel matters.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

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It was moved by Trustee Neely, seconded by Trustee Hamburger that the Board exit the executive session.

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.

All business concluded for this date, August 28, 2014, *it was moved by Trustee Neely, seconded by Trustee Scott that this meeting be adjourned.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Maloney, Neely, Scott, Wright 8.

Absent: 0.

Against: 0.